


TEMPO

STRUCTURED PRODUCTS

PART OF THE ALPHA REAL CAPITAL FAMILY OF COMPANIES

- PRODUCT GOVERNANCE OVERVIEW -
‘Doing the right things’

FOR PROFESSIONAL ADVISER USE ONLY
- NOT FOR USE WITH CLIENTS -

Introducing the Alpha Real Capital family of companies ('Alpha') ... TEMPO STRUCTURED PRODUCTS

KEY ALPHA STATISTICS:

(as at 31 Mar 2021)

£4.2bn

AUM

160+

Professional team

4

Core areas

Headquartered in London, Alpha Real Capital was founded in 2005 as an international, co-investing, investment management and wealth management solutions business:

- Alpha Real Capital LLP sits at the heart of the Alpha Real Capital family of companies ('Alpha'), which benefit from materially common ultimate beneficial ownership

A 160+ professional team operates across the UK, Europe and Asia, focusing on 4 core areas: **i)** real estate investment management; **ii)** long income and index-linked income; **iii)** infrastructure, social impact and renewable energy; and **iv)** wealth management solutions

The '*Alpha way*' is to identify specialist teams with expertise in areas of strategic focus and interest and to support these teams to deliver best-in-class investor solutions:

- Alpha teams benefit from centralised resources, including: financial; operational; compliance; research; marketing; business development and capital-raising
- ... and from Alpha's fundamental interest to '*do the right things*'

The '*Alpha DNA*' is evident across the Alpha range of funds, products and services:

- Alpha aims to offer attractive risk / return profile investments for investors, with exemplary support and service for business partners, professional advisers and investors

Alpha engages with institutional investors, professional investors (including family offices, UHNW and HNW private investors) and professionally advised retail investors:

- on the retail side, Alpha operates through TIME Investments and Tempo Structured Products

Integrity ...

*“Integrity is about having principles and doing the right things.
It is about being honest, being incorruptible and doing the right things.
It is about doing the right things, even when no one is watching”*

Our approach ...

*Our approach to ‘redefining structured products’
for professional advisers and their clients is focused
on ‘doing the right things - and doing simple well’*

Our aim ...

*Our aim is to ‘do the right things’,
for the right reasons,
for the right outcomes*

- **Ensuring that client-centric, best practice governance and compliance is embedded throughout Tempo and is front and centre of all that we do has been key from our inception**
 - our aim is to surpass regulatory requirements and guidance, recognising that good governance is a core value not just a regulatory requirement:

- **We believe that best practice governance and compliance is:**
 - first and foremost, client-centric
 - second, best for the professional adviser firms which we work with
 - third, best for us as a business: an opportunity for us to demonstrate best practice, raise the industry bar, and show how we think structured products could be done and should be done

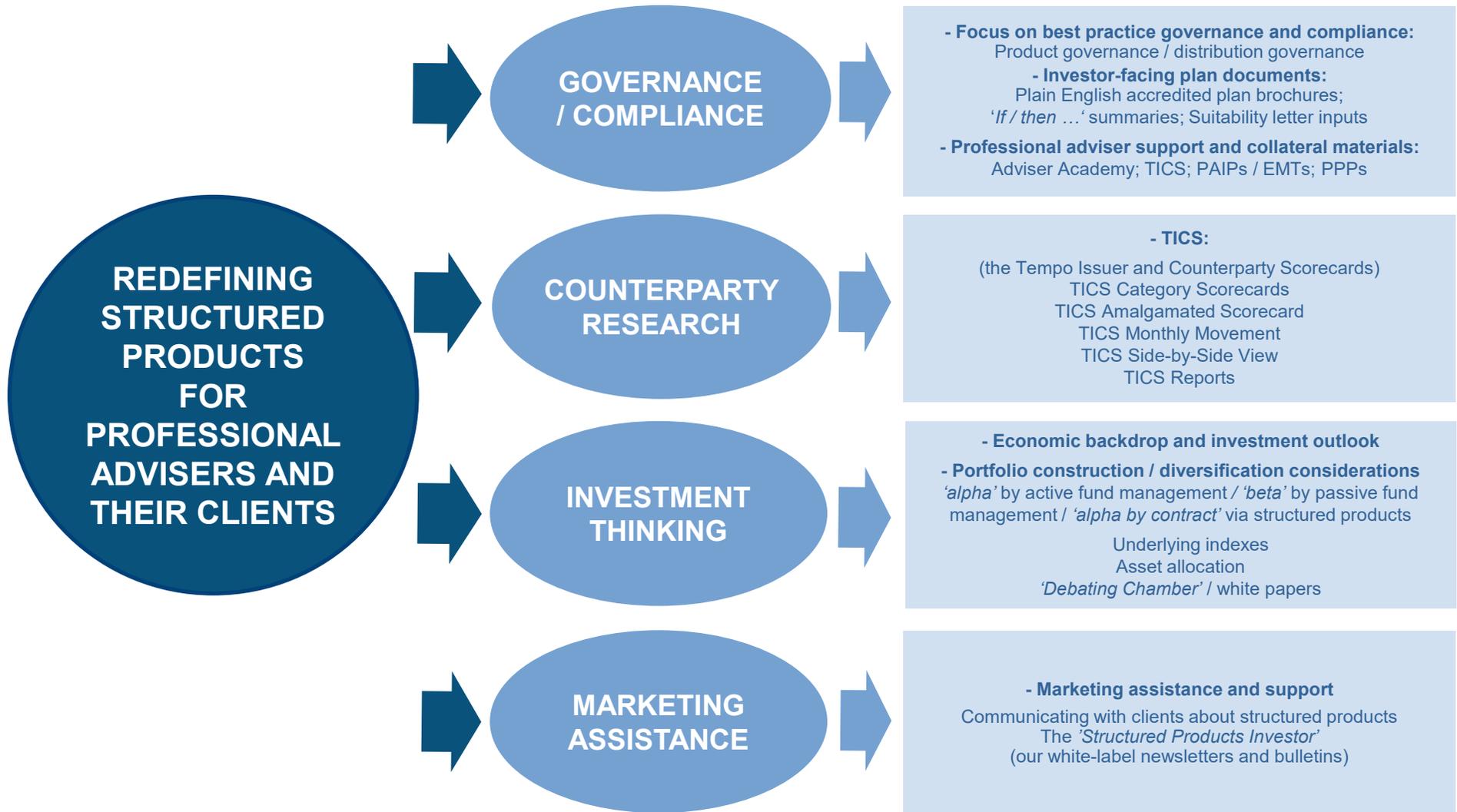
- **We think professional advisers share these views and want to be confident of cultural integrity and client-centric, best practice governance and compliance in the providers they deal with:**
 - noting that achieving best practice process and outcomes for investors and professional advisers requires the parties involved in manufacturing and distribution to work closely together in a joined-up approach

- **Our approach to ‘*redefining structured products*’ for professional advisers and their clients is focused on ‘*doing the right things - and doing simple well*’:**
 - we have tried to think through, establish and support a more rigorous, tighter, better - and safer - approach to structured products ...

... better and safer for who?

- **First and foremost, we aim to put investors first:**
 - if we and the professional advisers who use our products together do a good job for investors then everybody (investors, advisers, ourselves, issuers / counterparties, etc.) is in a good place
 - with this in mind, critically, we aim to design fundamentally good investments: which our governance policies and procedures, specifically including our product governance process, are designed to help ensure
 - importantly, as with all forms of investment there are risks involved but we are as clear about the potential risks as we are about the potential returns of our products, for both investors and professional advisers, and we have sought to explain everything using plain English which everyone should be able to understand

- **Second, we have worked exceptionally hard on providing a bar-raising level and calibre of materials, input and support for professional advisers using structured products with their clients:**
 - this is both generally and specifically for each of our products
 - our aim is to help strengthen professional adviser understanding and working knowledge of structured products, including portfolio construction considerations and regulatory requirements and expectations
 - our approach to client-centric, best practice governance and compliance is designed to help professional advisers strengthen what they do, including their initial and ongoing plan manager due diligence, their product research, and how they document the advice they give to their clients



PROD (3.3.11(3)) states that
'... distributors [e.g., professional advisers] should consider the impact that the selection of a manufacturer [e.g., plan managers, who are 'co-manufacturers'] could have on clients, in terms of various factors, including the financial strength of the manufacturer'

PROD (3.2.16 (2)) requires manufacturers to make *'...all appropriate information on our product approval process' available to distributors*

- Focus on best practice governance and compliance:
Product governance / distribution governance

- Investor-facing plan documents:
Plain English accredited plan brochures;
'if / then ...' summaries; Suitability letter inputs

- Professional adviser support and collateral materials:
Adviser Academy; TICS; PAIPs / EMTs; PPPs

- TICS:

(the Tempo Issuer and Counterparty Scorecards)
TICS Category Scorecards
TICS Amalgamated Scorecard
TICS Monthly Movement
TICS Side-by-Side View
TICS Reports

- Economic backdrop and investment outlook

- Portfolio construction / diversification considerations
'alpha' by active fund management / 'beta' by passive fund management / 'alpha by contract' via structured products

Underlying indexes
Asset allocation
'Debating Chamber' / white papers

- Marketing assistance and support

Communicating with clients about structured products
The 'Structured Products Investor'
(white-label newsletters and bulletins)

FSA Retail Product Development and Governance: Structured Product Review, 2012 Thematic Review: *'Firms should carry out sufficient due diligence into the counterparty and not rely solely on credit rating agencies ...' / 'We expect firms to look more broadly than just the credit rating, such as the rating, outlook, credit default swap [CDS] spreads and other market information, as well as 'fundamentals' on the issuer's balance sheet.'*

- **Of course, saying this is one thing:**
 - but demonstrating and evidencing that we mean it and that we do what we say is key
 - noting also that PROD (3.2.16 (2)) requires manufacturers to make *'all appropriate information on our product approval process'* available to distributors

- **We are proactive and transparent in providing details of our product governance process - and in explaining and discussing why we do what we do and how we do it:**
 - our **product governance process** comprehensively details how we conceive, design, develop, distribute and manage our products through their lifecycle
 - our product governance process includes **various steps, groups and committees**, which incorporate **various inputs, checks, controls and sign-offs**, in a consensus-driven decision making approach
 - each group / committee operates with **clearly documented terms of reference**, detailing their: purpose and objectives; attendees; voting members / quorum; conduct; inputs and outputs
 - we create and retain **audit trails** of our product governance process in practice, including the dates of and minutes from the group and committee meetings involved throughout our process
 - our governance policies and procedures, including our product governance process, are monitored within Alpha Real Capital's / TIME Investment's compliance programme

- **The following pages detail and explain our product governance process:**
 - our process involves various steps, groups and committees, which incorporate various inputs, checks, controls and sign-offs, in a consensus-driven decision making approach
 - our process is designed to ensure that each product we launch is suitable for the identified target market
 - each step engages multiple participants / stakeholders, to ensure scrutiny and challenge of the business, process and any product, prior to launch
 - the process does not end with the launch of a product, but encompasses post-launch monitoring and management, which feeds back into our product governance process with regard to any factors relevant to previously launched existing products and / or potential new future products
 - importantly, our product governance process specifically excludes consideration of the commercial performance of our business against our business plan, instead ensuring that our process focuses exclusively upon end client interests, needs and fair outcomes
 - [ref nos] refer to the appropriate reference in the FCA's PROD Sourcebook

- full **terms of reference** for each group / committee and **audit trails** of our process in practice, including the dates of the group and committee meetings, are available



1. Product Strategy and Review Group ('PSRG')

The PSRG is the starting point of our investment, investor and product thinking. It includes the identification of potential new product strategies, the review of existing products, re-issue or changes, including target market and distribution channel.

The PSRG is responsible for our issuer, market and operational risk analysis ('IMORA') and prepares our product proposal (and re-issue) packs ('PPPs' and 'RIPPPs') and product suite review packs ('PSRPs') for other Groups / Committees.

2. New Product and Review Committee ('NPRC')

A decision-making executive committee, the NPRC assesses PPPs, RIPPPs and PSRPs and ensures that our products:

- i) have been developed in line with our product governance process;
- ii) are expected to meet (or have met) the needs of the identified target market;
- iii) will be (or have been) distributed through appropriate distribution channels;
- iv) are expected to deliver (or have delivered) appropriate client outcomes.

3. Distribution Oversight Group ('DOG') and Operations and Service Review Group ('OSRG')

MI driven distribution, operations and service oversight.



- **The Product Strategy and Review Group ('PSRG') is Step 1 in our product governance process**
- **Our business and product thinking starts with consideration of five factors:**
 - the economic backdrop and investment outlook
 - the characteristics and needs / objectives [3.2.2] of clients of professional advisers
 - available investment options and portfolio construction considerations
 - relevant management information ('MI'), including from existing products
 - the approach of the Alpha family of companies ('Alpha')
- **With robust understanding of asset and wealth management, financial planning and advice, and expert knowledge of structured products, the PSRG's purpose and objective is to:**
 - identify potential new product strategies, and changes to or other actions for existing products, and to develop and assess (including being responsible for our issuer, markets and operational risk analysis ('IMORA') and undertaking scenario analysis: back-testing and forward-modelling) new products and changes to or actions for existing products, for presentation to the New Product and Review Committee ('NPRC')

- **The members of the PSRG are primarily Tempo senior team members:**
 - in addition, colleagues from Alpha (including Alpha Real Capital senior executives and senior member of the institutional side of Alpha and TIME Investments ('TIME') on the retail side, including TIME senior management and members of the business development team) are invited to participate in the PSRG
 - all members of the PSRG are familiar with the specific regulatory requirements and general issues relating to retail structured products and the philosophy and approach of Alpha and Tempo
 - external inputs / participants in the PSRG are also welcomed and proactively sought, including economics, investment markets and asset / wealth management specialists
 - professional advisers (including wealth managers and IFAs) may be asked to participate in some specific meetings, to provide their perspective and input: input representing the thinking and interests of end clients, from a consumer perspective is valued
- **PSRG decisions are consensus-driven, made by the entire membership of the PSRG, and are generally expected to be unanimous, reflecting the inclusive team culture of Alpha:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and agreed by an Alpha Real Capital senior executive
- **No product can be launched - including changes to existing products - without the PSRG completing all of the steps of our product governance process, which must be confirmed to and by the NPRC:**
 - no product can be launched - including changes to existing products - without NPRC approval or ratification

▪ Inputs to the PSRG:

- the PSRG considers various relevant inputs, potentially including: economic and market research; asset management / structured product research; distributor / professional adviser / wealth manager/ financial planning views and interests; target market / end client portfolio needs and interests; structured product specific developments, including pricing parameters; input and feedback from distributors / professional advisers; MI regarding past and present products, including post-sales monitoring, performance and recent product launch experience

▪ Outputs from the PSRG:

- the PSRG is responsible for preparing:
- product proposal packs ('*PPPs*') for each potential new product [3.2.3(1)], and for any major changes to existing products [3.2.3 (2)]: in addition to the PPP, the PSRG also makes available '*TICS*' (our proprietary Tempo Issuer and Counterparty Scorecards / all scorecards and the TICS Report for the issuer / counterparty); scenario analysis, and '*CASPA*' (our currently available structured products analysis)
- re-issue product proposal packs ('*RIPPPs*') for the re-issue of previously launched products (with only minor changes): RIPPps take the form of updated PPPs
- product suite review packs ('*PSRPs*') for presentation to the NPRC each quarter: PSRPs summarise and analyse any '*red flags*' and / or '*amber flags*' which have been raised during the distributor, product and operations daily, monthly, quarterly and annual monitoring processes
- PSRG meetings are minuted / minutes are circulated to the PSRG members and Alpha colleagues / all meeting minutes are archived and can be accessed by the PSRG members and Alpha colleagues at any point

- **The PSRG is responsible for undertaking our issuer, market and operational risk analysis (*'IMORA'*): to ensure thorough analysis and assessment of the three most fundamental risks of structured products:**
 - **issuer / counterparty financial strength / credit risk:** including use of *'TICS'* (our proprietary Tempo Issuer and Counterparty Scorecards)
 - **market risk:** consideration of risks to the repayment of capital invested and regarding the conditions for positive returns (growth or income) to be generated, incorporating scenario analysis (back-testing and forward-modelling)
 - **operational risk:** assessing the risks we present in our role as plan manager, including our plan administration and custody arrangements

- **Our IMORA process is part of the analysis and assessment that we undertake as part of our product governance process for potential new products, the re-issue of existing products, and any changes to existing products:**
 - details of IMORA are included in the product packs which the PSRG presents to the NPRC

- **The PSRG is responsible for producing product packs for potential new products, the re-issue of existing products, any changes to existing products, and for the regular product suite reviews:**
 - product proposal packs (*'PPPs'*); re-issue product proposal packs (*'RIPPPs'*); product suite review packs (*'PSRPs'*)

- **The product packs are prepared for presentation by the PSRG to the NPRC, detailing information about a potential new product, existing product and our product suite, including:**
 - features, benefits, risks, scenario analysis (back-testing and forward modelling), value-for-money assessments and target market
 - the product packs are primarily focussed on whether products and our distribution strategy will meet or are meeting the needs of the identified target market
 - the product packs do not focus on commercial aspects, such as our business plan / business performance, other than detailing product charges / margin as part of the fair value assessment for investors

- **No product can be launched without the production of the product pack**

- **We include our product packs in the collateral materials, input and support which we proactively make available to professional advisers for each product that we launch:**
 - this provides transparency regarding our process,
 - it also helps professional advisers understand the background to products and aids them in their research and due diligence responsibilities, including assessing the suitability of products for investors

- **The New Product and Review Committee ('NPRC') is Step 2 in our product governance process**
- **The purpose / objective of the NPRC is to review outputs and presentations from the Product Strategy and Review Group ('PSRG') to:**
 - assess potential new products which have been proposed for launch, or significant changes to existing products, and to provide (or withhold) approval for launch or change
 - assess whether good governance results have been achieved on existing products
- **The NPRC is a decision-making executive committee, responsible for assessing that potential new products proposed for launch, or changes to existing products, have been conceived, designed, developed, distributed and managed in line with our product governance process, confirming that:**
 - our product governance process has been followed [1.1.2]
 - products will meet / met the needs, characteristics and objectives of an identified target market of end clients and have a risk / reward profile consistent with that target market [1.1.3 (1)]
 - the identified distribution channel is / was appropriate and the distribution channel will be supported with adequate information and service [1.1.3 (2)]
 - products are expected to deliver / have delivered appropriate end client outcomes [1.1.3 (3)]
 - our product governance process specifically excludes consideration of the commercial performance of the business against its business plan - instead ensuring that it focuses exclusively upon end client interests, needs and fair outcomes

- **All potential new products, and significant changes to existing products, put forward to the NPRC must be proposed by the PSRG, supported by a product proposal pack ('PPP')**
- **The NPRC assesses all products proposed for launch or change to ensure that they meet a stringent set of criteria, each of which meets specific regulatory rules and expectations:**
 - the criteria list of 12 specific points is fully detailed in the terms of reference for the NPRC
- **The NPRC also reviews all products post launch to assess that they:**
 - can be expected to deliver / or have delivered appropriate end client outcomes [1.1.3 (3)]
 - were sold to clients in the target market by appropriate distribution channels [1.1.3 (2)]
 - have appropriate proposed actions and responsibilities assigned (if any)
- **The NPRC also reviews our entire book of previously launched products, utilising product suite review packs ('PSRPs') provided by the PSRG, to ensure that:**
 - they are functioning as intended [3.2.25]
 - no crucial event has occurred or if a crucial event has occurred, they have an appropriate action proposed [3.2.24]
- **The NPRC assesses the outputs and recommendations of the PSRG, including any proposed changes of policy or procedures**

- **The voting members of the NPRC include:**
 - Tempo senior management (global head; product and operations manager)
 - Alpha Real Capital senior executives (including CEO and senior partners)* and senior management from the institutional side of Alpha
 - TIME Investments ('TIME') senior management (including managing director; partner compliance; partner, sales and marketing)

- **All members of the NPRC are familiar with the specific regulatory requirements and general issues relating to retail structured products and the philosophy and approach of Alpha and Tempo:**
 - *Alpha Real Capital senior executive have a right of veto over decisions

- **NPRC decisions are consensus-driven, made by the voting membership of the NPRC, and are generally expected to be unanimous, reflecting the inclusive team culture of Alpha:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and agreed by an Alpha Real Capital senior executive

- **A formal meeting of the NPRC and formal approval of any proposed new product or changes to an existing product is required in order to launch or change any product:**
 - no product can be launched - including changes to existing products - without NPRC approval or ratification

- **Inputs to the NPRC:**

- the primary inputs to the NPRC are the product packs (*PPPs, RIPPPs and PSRPs*), received as outputs from and presented by the PSRG
- 'TICS' (our proprietary Tempo Issuer and Counterparty Scorecards: all scorecards and the TICS Report for the issuer / counterparty); scenario analysis, and 'CASPA' (our currently available structured products analysis) are also made available, together with any additional information, including product and distribution MI (outputs from the PSRG and DOG), or other inputs which the members of the NPRC may require

- **Outputs from the NPRC:**

- NPRC meetings are minuted / minutes are circulated to the NPRC members and Alpha colleagues / all meeting minutes and supporting documentation are archived and can be accessed by the NPRC members and Alpha colleagues at any point

- **We have given careful consideration to the distribution strategy for our products and the way that we engage with, understand, control and support the distributors of our products, i.e.:**
 - the professional adviser firms which use our products with end clients
- **Our approach to distribution governance is an important aspect of our product governance process and our governance policies and procedures, but we think it is also important to professional advisers:**
 - to our minds, professional advisers wanting to do things the right way will welcome a provider seeking to do things the right way (and seeking to identify (and block) use of our products by firms / advisers who may not)
- **The Distribution Oversight Group ('DOG') is part of Step 3 in our product governance process**
- **The purpose / objective of the DOG is to ensure robust governance of the distribution of our products**
- **The DOG is responsible for:**
 - reviewing management information ('MI') regarding the distribution of our products
 - identifying and assessing patterns in the distribution of our products
 - assessing the performance of distributors [3.2.20]
 - establishing if our products are being distributed to the identified target markets [3.2.19c]
 - considering whether the distribution strategy for our products remains appropriate [3.2.19b]

- **The first part of our distribution governance process is designed to meet the FCA's PROD requirement that we *'take reasonable steps to ensure that the financial instrument [i.e. our plans] is distributed to the identified target market'* (PROD 3.2.1(3)):**
 - we therefore ask all professional adviser firms who intend to start using our plans (or those who already have) to complete our distribution governance - distributor due diligence questionnaire ('DG-DDDQ') when they start using our plans, as a condition of our terms of business ('ToB')
 - through this process, we agree either firm-wide terms of business or terms of business for specific advisers within a firm

- **In addition, and also under PROD, we are required to *'regularly review our products'* (PROD 3.2.19) and, in doing so, to *'collect information to detect patterns in distribution'* (PROD 3.2.20):**
 - we therefore also ask all professional adviser firms who have used our plans to complete our distribution governance - mutual annual reporting ('DG-MAR') process, as a condition of our ToB
 - our DG-MAR process facilitates us reporting to professional adviser firms and professional adviser firms reporting to us, regarding ongoing product monitoring and target market / distributor governance, fulfilling our mutual obligations under PROD and our ToB

- **The FCA has drawn attention to their expectations regarding product governance, including the need for distributors to provide information to manufacturers to support best-practice product governance:**
 - on 26/02/2021, the FCA issued the findings of a review which assessed how 8 asset management firms consider the MiFID II product governance regime, which highlighted various important points
 - **FCA review:** <https://www.fca.org.uk/publications/multi-firm-reviews/mifid-ii-product-governance-review>

- **Importantly, our approach to client-centric, best practice governance and compliance is aligned with our aim of advancing and strengthening professional adviser understanding and working knowledge of structured products, including important portfolio construction / diversification considerations, and advancing best practice use of structured products (and our products specifically):**
 - if our distribution governance identifies areas in which a professional adviser firm or individual adviser may need or wish to validate or advance their level of working knowledge in a specific area our Professional Adviser Academy can be accessed for the modules required, with online tests available to validate knowledge levels following completion of any modules
 - we also provide tailored educational input and training sessions for individual professional advisory firms, or individual advisers, to meet their specific interests and requirements

- **The voting members of the DOG include:**
 - Tempo senior management (global head; product and operations manager)
 - TIME Investments ('TIME') senior management (including managing director; partner compliance; partner, sales and marketing)
 - Tempo business development team representatives
 - TIME sales and marketing and client services representatives
 - all members of the DOG are familiar with the specific regulatory requirements and general issues relating to retail structured products and the philosophy and approach of Alpha and Tempo

- **DOG decisions are consensus-driven, made by the entire membership of the DOG, and are generally expected to be unanimous, reflecting the inclusive team culture of Alpha:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and agreed by an Alpha Real Capital senior executive

- **Inputs to the DOG:**

- the primary inputs to the DOG are the MI packs which include details of:
 - all firms / advisers who have completed our distribution governance - distributor due diligence questionnaires ('DG-DDDQ') including analysis of the DG-DDDQ responses
 - all firms / advisers who have completed our distribution governance - mutual annual reporting ('DG-MAR') including analysis of the DG-MAR responses
- the firms which have completed educational training or academy modules
- sales, including product type, average amount, age profile, redemptions, cancellations, complaints, Experian scores
- any information from advisers (e.g. sales outside of the identified target market)
- any removal of permission or regulatory sanctions
- any ad hoc concerns or information from interaction with advisers

- **Outputs from the DOG:**

- outputs will specifically include detailing any distributors firms (or individual advisers) which are '*red flagged*' (no distribution allowed) and '*amber flagged*' (distribution to be withdrawn if required steps are not completed)
- DOG meetings are minuted / minutes are circulated to the DOG members and Alpha colleagues / all meeting minutes are archived and can be accessed by the DOG members and Alpha colleagues at any point

- We aim to identify, understand, manage and mitigate operational risks as part of our *'deliberately defensive'* approach and to ensure an exemplary level of service and support for professional advisers and their clients, as a plan manager which they can be genuinely confident in
- The Operations and Service Review Group ('OSRG') is part of Step 3 in our product governance process
- Our plan administration and custody services are provided by James Brearley & Sons ('JBS'):
 - an administration relationship agreement between Tempo and JBS includes relevant service level agreements ('SLAs') and key performance indicators ('KPIs')
- The purpose / objective of the OSRG is to review our operational processes, including our plan administration and custody arrangements, and the service levels which we provide to professional advisers and their clients, ensuring that:
 - our operational processes and risks are managed effectively
 - our service level to professional advisers and their clients is meeting / exceeding expectations (ours and theirs)

- **The OSRG is responsible for:**

- reviewing management information ('MI') regarding our operational processes, including the administration and custody of our products and our administration service and support levels for professional advisers and their clients
- assessing that our operational processes are efficient and are being managed effectively, identifying if there is any change to the operational risk of our products
- assessing if the service and support levels which we provide to professional advisers and their clients is meeting expectations (ours and theirs), identifying any issues and ensuring they are addressed, if they arise

- **The OSRG reviews and helps manage our:**

- ongoing due diligence and operational risk information regarding JBS, refreshing and recording updated information
- respective responsibilities and whether these are being discharged effectively by Tempo and JBS, in accordance with the SLA and KPI parameters of the administration relationship agreement
- operational processes, identifying if we can improve our management of operational risk
- our administrative service and support levels for professional advisers and their clients, identifying areas where we might provide improved service and support

- **The members of the OSRG include:**
 - Tempo senior management (global head; product and operations manager)
 - JBS senior management (chief executive; associate director; administration manager)
 - TIME Investments ('TIME') senior management (including partner compliance; client services manager)
 - Tempo business development team representatives
 - TIME sales and marketing and client services representatives
 - all members of the OSRG are familiar with the specific regulatory requirements and general issues relating to retail structured products and the philosophy and approach of Alpha and Tempo

- **OSRG decisions are consensus-driven, made by the entire membership of the OSRG, and are generally expected to be unanimous, reflecting the inclusive team culture of Alpha:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and agreed by an Alpha Real Capital senior executive

- **Inputs to the OSRG:**

- **the main monthly inputs to the OSRG include:** SLA report from JBS: performance against KPIs; compliance reports from Tempo and JBS: details of any compliance breaches and complaints; corporate updates from Tempo and JBS: any changes to warranties and undertakings in agreement; any FCA fines, censure or other matters which the other party should reasonably be aware of; tranche MI (existing JBS daily report)
- **the main annual inputs to the OSRG include:** financial reports and accounts and business updates (revenue, operating profit, AUM, etc.); financial statements audit report; CASS audit report (summary update); AAF 106 (previously FRAG21); PI policy; details of onsite due diligence review; cyber security (including penetration test); business continuity

- **Outputs from the OSRG**

- OSRG meetings are minuted / minutes are circulated to the OSRG members and Alpha colleagues / all meeting minutes are archived and can be accessed by the OSRG members and Alpha colleagues at any point

- **We operate with a comprehensive suite of management information ('MI'), which form key inputs to the PSRG, DOG and OSRG, aimed at helping us monitor our operations, specifically including:**
 - the distribution of our products
 - the performance of our products and the extent to which they are delivering the right outcomes for investors
 - the service and support that we provide for professional advisers and their clients

- **MI is reviewed on a daily, monthly, quarterly and annual basis, including:**
 - daily monitoring of potentially critical events
 - monthly monitoring of products, indices and performance (including barrier levels and the conditions required for products to generate positive returns)
 - monthly monitoring of issuers / counterparties, including 'TICS' (our proprietary Tempo Issuer and Counterparty Scorecards)
 - monthly monitoring of James Brearley & Sons ('JBS') KPIs
 - quarterly monitoring of distribution patterns, including complaints, cancellations, withdrawals and post launch monitoring of Experian financial strategy segments ('FSS') and financial sophistication index ('FSI') scores
 - annual monitoring of data collected from professional advisers themselves
 - importantly, we have identified pertinent quantitative trigger levels within each review which create 'amber' and 'red' flags, to help us assess and make use of the MI which we generate and monitor

- **We seek multi disciplinary legal and regulatory (e.g., general consumer rights) input as required:**
 - this includes reviews of our activities, governance policies and procedures, product governance process and product documents / materials against regulatory rules, expectations and guidance: we also try to consider potential / anticipated future requirements
 - our aim is to think through, establish and support a more rigorous, tighter, better and safer approach to structured products, based on client-centric, best practice governance and helping professional advisers strengthen what they do and their processes of advising clients to invest in structured products

- **Importantly, we think that achieving best practice process and outcomes for investors and professional adviser firms requires manufacturers and distributors to work closely together, in a joined-up approach:**
 - our approach encompasses working closely with everyone from internal stakeholders, to issuing banks / counterparties, to our administrator and custodian, to the professional advisers who use our products
 - ... this includes validating (not simply accepting on face value) each other's inputs and procedures
 - we are keen to discuss the importance of everybody in the food chain being aligned in understanding what *'good'* looks like and in discharging individual and shared responsibilities
 - ... this involves contributing to joined-up, client-centric, best practice process and outcomes

- **We have worked exceptionally hard on our investor-facing plan documents, including our plan brochures, ‘if / then ...’ summaries and plan application packs, which include the plan terms and conditions:**
 - we have had high level, multi-disciplinary regulatory and legal input from leading law firm Simmons & Simmons
 - and rigorous input and guidance from Plain English Campaign
- **As with all forms of investment there are risks involved but we are as clear about the potential risks as we are about the potential returns of our products, for both investors and professional advisers:**
 - we have sought to explain everything clearly and fairly, ensuring that investors understand what they are investing in, avoiding jargon and using plain English which everyone should be able to understand
- **In addition to the content, and the descriptions of features and risks, we have given careful consideration to the design of our plan literature, including the pagination and layout, focusing on the readability and reader experience and engagement, to help ensure investor understanding:**
 - our **‘stand out circles’** and **‘info points’** highlight key points and aid investor reading and understanding
 - our **‘if / then ...’ summaries** provide simple, colour coded, single page summaries of the key contractual terms, conditions, risks and potential outcomes of our plans
 - we are also working on **animated videos**, which we will produce for each of our plans / options, which will aid professional advisers in walking investors through our plan brochures and key points, providing an innovative and engaging accompanying digital input to the plan documents and suitability letters
 - our **suitability letter inputs** for professional advisers cover various points typically included by advisers in suitability letters, which are also Plain English Campaign **‘crystal mark’** accredited

- **Our approach to our investor-facing plan documents (and the collateral materials, inputs and support which we provide to professional advisers) includes being specifically clear about:**
 - where and how investor's money is invested (i.e. in the securities issued by a single institution and / or any links to other institutions)
 - issuer / counterparty risk and how to evaluate it
 - prominently stating that capital is at risk, and explaining how, if it is
 - not describing products as guaranteed or protected, if that would be inaccurate
 - explaining when FSCS protection applies and when it does not
 - using language which the target audience should be able to understand: this is a key aspect of our approach, which we have focused closely upon as corporate members of Plain English Campaign ...

- **We are proud (and somewhat surprised) to be the first structured product firm - and one of the first investment firms of any type - to become a corporate member of Plain English Campaign:**
 - we are still surprised that the number of financial services firms engaging with the Campaign is so small, for something which is so obviously and non-contentiously positive (and so obviously part of *‘doing the right things - and doing simple well’*: to our minds, it doesn’t get much simpler than using plain English!)

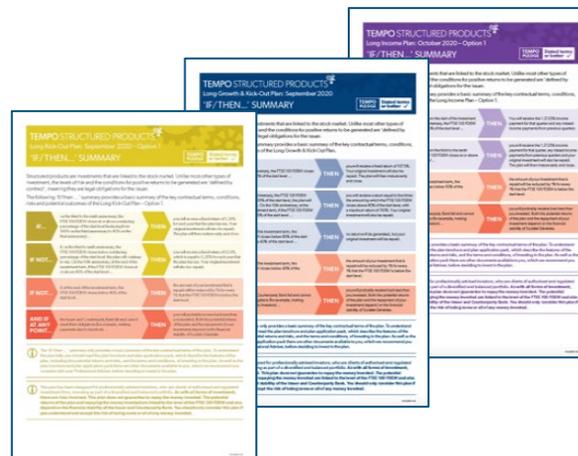
- **Plain English Campaign has been in existence since 1979, campaigning against gobbledygook:**
 - it is entirely independent, funded through its commercial services, which include editing and training
 - it has helped government departments, other public authorities and official organisations, international banks and all types of institutions and corporations with their documents, reports and publications
 - it has edited, rewritten, clarified and *‘crystal mark’* approved documents worldwide, in the belief that everyone should have access to clear and concise information

- **All of our plan brochures, *‘if / then ...’* summaries and suitability letter inputs are *‘crystal mark’* approved by Plain English Campaign:**
 - while important product points and features sometimes require some technical-sounding explanations we have worked hard to de-jargon our product literature (and to make sure our lawyers didn’t re-jargon it!)
 - the *‘crystal mark’* is Plain English Campaign’s seal of approval for the clarity of a document: **it is the only internationally recognised mark of its kind**
 - we have also embraced general guidance from Plain English Campaign regarding how to improve the readability of documents and improve reader engagement (and therefore understanding)

Plan brochures



'If / then ...' summaries



Suitability letter inputs



- **All are Plain English Campaign 'crystal mark' accredited to be jargon free, with the aim of using language which everyone should be able to understand:**
 - if we and the professional advisers who use our products together do a good job for investors then everybody (investors, professional advisers, ourselves, issuers / counterparties, etc.) is in a good place
 - a key part of this is ensuring that investors understand what they are investing in: and helping professional advisers strengthen what they do and their processes of advising clients to invest in structured products

- **We have worked exceptionally hard on providing a bar-raising level and calibre of materials, input and support for professional advisers using structured products with their clients:**
 - this is both generally and specifically for each of our products
 - we aim to help strengthen professional adviser understanding and working knowledge of structured products, including portfolio construction considerations and regulatory requirements and expectations
 - our approach to client-centric, best practice governance and compliance is designed to help professional advisers strengthen what they do, including their plan manager and product research and due diligence, the inputs they provide to clients when advising them to invest, and the documenting of the advice they give

- **Generally, we proactively provide comprehensive initial and ongoing due diligence inputs to professional adviser firms who are interested to start using our products, including:**
 - an introduction to and overview of the Alpha Real Capital family of companies (*'Alpha'*), which we are part of
 - the full financial accounts for the previous five years for Alpha Real Capital, which sits at the heart of Alpha
 - an introduction to and overview to us, including full details of our governance policies and procedures
 - access to our Professional Adviser Academy, TICS and other inputs

- **Specifically, we also provide the following inputs to professional advisers for each of our products:**
 - professional adviser information packs (*'PAIPs'* / *'EMTs'*)
 - product proposal packs (*'PPPs'*)
 - TICS Reports for the issuer / counterparty

PROFESSIONAL ADVISER INFORMATION PACK

Long Kick-Out Plan: August 2018

This document is intended solely for FCA authorised persons, including financial advisory firms and wealth managers ('Professional Advisers'). It is not suitable for, and should not be distributed to, clients or potential clients.

All information is believed to be correct as of 18 June 2018.

Introduction

The purpose of our professional adviser information pack is to:

- A. Explain how we meet our Manufacturer product governance responsibilities, under the FCA's Product Governance Sourcebook (PROD) (particularly PROD 3.2.16), to provide Distributors (i.e. Professional Advisers) with specific information;
- B. Help Professional Advisers meet their Distributor product governance responsibilities under PROD (particularly PROD 3.3.1), which states that Distributors "must":
 - understand the product you distribute to your clients;
 - assess the compatibility of the product with the needs of the clients to whom you distribute investment services, taking into account our identified target market of end clients; and
 - ensure that the product is distributed only when this is in the best interests of your client"

Is the information that we have provided you with sufficient?

This pack summarises the information that we make available to Distributors. If you feel that the information that we provide you with is not adequate for you "to gain the necessary understanding and knowledge [of the Product you intend] to distribute in order to ensure that [it] will be distributed in accordance with the needs, characteristics and objectives of the target market (PROD 3.3.3)", you should contact us and we will discuss your requirements and aim to provide sufficient information.

Specific product information which we must make available to you:

We must make available to you "all appropriate information" (PROD 3.2.16 (1)), "including the identified target market" (PROD 3.2.16 (3)) and details of "the appropriate channels for distribution" (PROD 3.2.16(4)).

The information we make available to Distributors includes:

- 1 The plan documents (these comprise the plan brochure and plan application pack).
- 2 The Counterparty Bank's Key Information Document (KID).
- 3 The Counterparty Bank's securities documents (prospectus and final terms).

You should consider all these documents to fully understand the plan.

These documents include details of the identified target market for each plan and the appropriate channels for distribution.

In addition, we also provide you with further product specific information:

- 4 A 'TICS Report' for the Counterparty Bank for each plan - and full details of our Tempo Issuer & Counterparty Scorecards ('TICS'), to provide transparency regarding our internal process and to support Professional Advisers in meeting their research and due diligence responsibilities.
- 5 An independent research report for each plan - compiled by Structured Edge / Future Value Consultants.
- 6 We also complete the EFAMA recommended European MiFID Template (EMT) regarding target market, distribution strategy and cost information for each plan (part of this document).

You may find these additional inputs useful in understanding the product.

General information which we must make available to you:

More generally, we must also make available to you "all appropriate information on our product approval process" (PROD 3.2.16 (2)), including "information about the target market assessment undertaken" (PROD 3.2.16(3)).

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Tempo Structured Products | Professional adviser information pack 1

- Our professional adviser information packs ('PAIPs') are designed to:
 - explain how we meet our manufacturer product governance responsibilities under PROD (particularly PROD 3.2.16), providing distributors with specific information
 - help professional advisers meet their distributor product governance responsibilities under PROD (particularly PROD 3.3.1), which states that distributors must:
 - i) understand the product they distribute to their clients;*
 - ii) assess the compatibility of the product with the needs of the client to whom they distribute investment services, taking into account the identified target market of end clients;*
 - iii) ensure that the product is distributed only when this is in the best interests of their client'*
 - we include details of our target market identification, scenario analysis (back-testing and forward-modelling) and value-for-money assessments
 - we complete and include the FinDatEx recommended European MiFID Template ('EMT'), regarding target market, distribution strategy and cost information

PRODUCT PROPOSAL PACK

Long Kick-Out Plan: August 2018 – Option 1

This document is intended solely for FCA authorised persons, including financial advisory firms and wealth managers ('Professional Advisers'). It is not suitable for, and should not be distributed to, clients or potential clients.

All information is believed to be correct as of 18 Jun 2018.

Introduction

We make our product proposal packs (PPPs) available to Professional Advisers in order to provide transparency with regard to our internal processes behind our products – and to support Professional Advisers in their product research and due diligence.

Throughout the following pages, numbers in "[]" (e.g. [3.2.1 (1)]) are references to the FCA's Product Governance Sourcebook (PROD) which may help explain the context of why we consider certain elements in our product approval process.

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Tempo Structured Products | Product proposal pack 1

- **Our product proposal packs ('PPPs') are made available to professional advisers in order to:**
 - provide transparency with regard to our internal product governance processes behind our products
 - support professional advisers in their product research and due diligence
 - throughout the PPP pages, numbers in [] (e.g. [3.2.1 (1)]) are references to the PROD, providing context to help explain why we consider certain elements in our product governance process in order to: 1) meet our manufacturer product governance responsibilities under PROD; and 2) help professional advisers meet their distributor product governance responsibilities under PROD

- **Our Professional Adviser Academy offers an educational resource for professional advisers wanting to know more about structured products**
- **The Academy is being built to consist of 16 modules, which cover the bases from a generic introduction to structured products, including why investment banks issue them, through to detailed and advanced working knowledge of how they work, how they are arranged and priced, and how to use them:**
 - modules are accredited by the Chartered Institute for Securities & Investment ('CISI')
 - modules have clearly identified learning outcomes and online tests for professional advisers who wish to validate what they have learnt and their knowledge levels
 - modules qualify for structured Continuous Professional Development ('CPD')
- **Our CPD accredited live and recorded video webinars for professional advisers focus on important areas of education and working knowledge of structured products - examples so far include:**
 - ***“Time to rethink what you think you know about structured products / SPs: Need; Evidence; & USPs”:*** *Portfolio construction considerations for a challenging and potentially low returns investment environment:* Access the recording: <https://attendee.gotowebinar.com/recording/2833289052084504336>
 - ***“Under the bonnet of structured products”:*** *What issuing banks may (or may not) do when arranging a structured product:* Access the recording: <https://attendee.gotowebinar.com/recording/325161185160162819>
 - ***“FTSE 100 EWFD”:*** *Introduction and overview: including comprehensive and granular performance analysis:* Access the recording: <https://register.gotowebinar.com/recording/6983375893567734796>
 - ***“TICS”:*** *A bar-raising resource supporting best practice professional adviser counterparty research and due diligence:* Access the recording: <https://attendee.gotowebinar.com/recording/5887143010085079304>

Module 1	An introduction to structured products
Module 2	Understanding structured products
Module 3	Market risk: barrier studies
Module 4	Issuer / counterparty research and due diligence
Module 5	What issuing banks may (or may not) do when arranging / hedging a structured product
Module 6	Key risks / past events: the lessons to be learnt
Module 7	Structured products are based on passive principles: with scope to reposition risk / return
Module 8	Cash flow modelling: structured products can match defined outcomes to identified needs
Module 9	Behavioural economics: hearts, minds and structured products
Module 10	Structured products in portfolio planning: case studies
Module 11	Sector evolution: including the facts about structured product performance
Module 12	Mythbusting: replacing fiction with facts
Module 13	Regulation: rules, guidance and expectations
Module 14	Product types and examples
Module 15	UKSPA and research service providers for professional advisers
Module 16	Structured products glossary

- **We are an independent plan manager (not a bank issuing its own bonds / securities / products)**
- **We think it's straightforward - and important - to state the obvious:**
 - issuer / counterparty risk is the most fundamental risk of a structured product
 - both the potential returns of a structured product and the repayment of capital usually depend upon the financial stability of the issuer / counterparty throughout the investment term
 - professional advisers and investors should seek to identify structured products backed by strong issuers / counterparties: not least as this is a regulatory requirement / expectation for professional advisers

- **Module 4 of our Professional Adviser Academy explains counterparty research and due diligence, including credit ratings, credit default swaps ('CDS') and fundamentals**
- **'TICS' (the Tempo Issuer and Counterparty Scorecards) provides a bar-raising resource supporting best practice professional adviser issuer / counterparty research and due diligence:**
 - TICS covers all 30 G-SIBs, plus a small number of D-SIBs and other issuers of or counterparties to UK retail structured products (including institutions which some issuers credit-link products to)
 - TICS compiles multiple Factors across various Categories pertinent to analysing and considering issuer / counterparty financial strength / credit risk, using a robust methodology, including a scoring system
 - TICS is designed to provoke and support more detailed and objective analysis, consideration and understanding - including comparison - of issuer / counterparty financial strength / credit risk
- **We update and publish TICS each month, producing 9 outputs:**
 - **TICS Category Scorecards:** which identify 27 TICS Factors across 5 TICS Categories
 - **TICS Amalgamated Scorecard:** which combines all of the TICS Factors and TICS Categories
 - **TICS Monthly Movement:** which summarises any significant changes (positive and negative) each month
 - **TICS Side-by-Side View:** which displays the raw data for the main UK retail issuers / counterparties
 - **TICS Reports:** which are provided for the main UK retail issuers / counterparties

TICS example: TICS Amalgamated Scorecard (Mar 21) ...

	Bank / Institution	Region	Sovereign	G-SIB status	Credit rating Scorecard	CDS Scorecard	Fund: bal. sht. Scorecard	Fund: mkt. ind. Scorecard	Syst. imp. Scorecard	Amalgamated Scorecard
WEIGHTINGS APPLIED TO AMALGAMATED SCORECARD:					40%	15%	30%	10%	5%	
1	HSBC	UK	UK	Y	4.75	2.40	3.10	4.40	2.25	374.3
2	ICBC	Asia	China	Y	5.67	N/A	3.25	1.30	2.50	411.7
3	Toronto Dominion	North America	Canada	Y	4.08	2.80	5.15	4.10	3.15	416.6
4	Bank of China	Asia	China	Y	5.67	2.95	3.80	2.30	2.50	420.4
5	Nordea	Europe	Sweden	N	4.08	1.75	4.60	5.55	8.25	424.3
6	CCB	Asia	China	Y	5.67	N/A	3.40	1.95	2.50	424.7
7	UBS AG	Europe	Switzerland	Y	5.42	2.50	3.85	5.35	3.35	439.9
8	JP Morgan	North America	USA	Y	5.75	3.70	4.15	2.35	1.90	443.0
9	RBC	North America	Canada	Y	4.42	3.45	5.45	3.75	3.15	445.2
10	BNP Paribas	Europe	France	Y	4.83	2.35	4.85	5.95	2.60	446.6
11	BONYM	North America	USA	Y	5.00	2.35	4.60	5.55	3.85	448.0
12	Credit Agricole	Europe	France	Y	4.83	1.75	4.95	6.45	3.20	448.6
13	Sumitomo	Asia	Japan	Y	6.08	1.65	3.70	5.70	3.45	453.3
14	Bank of America	North America	USA	Y	6.00	3.85	4.35	2.65	2.40	466.8
15	Mitsubishi	Asia	Japan	Y	6.33	1.90	4.25	5.20	2.80	475.3
16	BPCE_Natixis	Europe	France	Y	5.17	2.95	4.75	7.15	3.40	481.9
17	Mizuho	Asia	Japan	Y	6.33	1.85	4.45	5.60	3.50	488.1
18	State Street	North America	USA	Y	5.00	N/A	4.50	6.15	4.00	490.0
19	Societe Generale	Europe	France	Y	6.08	2.35	4.30	7.75	3.40	502.1
20	Wells Fargo	North America	USA	Y	6.50	4.30	4.10	4.15	2.80	503.0
21	Morgan Stanley	North America	USA	Y	6.33	4.35	4.15	4.15	3.95	504.3
22	MSIP	UK	UK	N	4.88	N/A	4.86	N/A	8.76	512.7
23	Standard Chartered	UK	UK	Y	6.75	3.45	3.55	6.85	3.60	514.8
24	Citi	North America	USA	Y	7.08	4.30	3.70	4.60	2.10	515.3
25	ABC	Asia	China	Y	7.33	6.40	3.40	2.30	2.95	529.1
26	Santander	Europe	Spain	Y	6.50	2.60	5.15	5.80	3.69	529.9
27	Goldman Sachs	North America	USA	Y	6.75	4.30	4.40	4.50	4.00	531.5
28	Lloyds	UK	UK	N	6.92	2.25	4.05	6.30	8.00	534.9
29	Danske Bank	Europe	Denmark	N	6.42	2.35	4.85	6.40	8.40	543.4
30	Aviva	UK	UK	N	5.67	3.75	N/A	6.35	7.45	548.1
31	ING Bank	Europe	Netherlands	Y	6.83	3.25	4.75	6.75	3.20	548.1
32	Barclays	UK	UK	Y	8.08	3.00	3.75	6.30	3.00	558.8
33	Credit Suisse	Europe	Switzerland	Y	7.67	3.15	4.10	6.60	3.40	559.9
34	Prudential	UK	UK	N	6.08	3.90	N/A	5.50	7.50	563.3
35	Deutsche Bank	Europe	Germany	Y	7.83	5.40	3.70	6.05	2.70	579.3
36	RBS	UK	UK	N	8.08	3.10	3.95	6.35	8.00	591.8
37	Investec Bank plc	UK	UK	N	6.63	N/A	4.45	7.90	8.95	615.1
38	Nomura	Asia	Japan	N	7.67	3.20	5.10	6.40	9.15	617.4
39	Unicredit Group	Europe	Italy	Y	9.08	4.90	4.65	7.10	4.35	669.1
40	Bank of Ireland	Europe	Ireland	N	9.50	3.55	5.50	7.60	9.05	719.5

TICS example: TICS Side-by-Side View (Mar 21) ...

TICS SIDE-BY-SIDE VIEW: DATA AS AT 01 MARCH 2021																						
	TICS CODE	TICS FACTOR	ANGLE	STATUS	BARC	BNP	BoA	CITI	CA	CS	GS	HSBC	INV	JPM	MSIP	MS	NATX	RBC	SANT	SG	UBS	
CREDIT RATINGS	CR-F1	STANDARD & POOR'S L/T RATING	FORWARD	VIEW	BBB	A+	A-	BBB+	A+	BBB+	BBB+	A+	NULL	A-	A+	BBB+	A+	AA-	A	A	A-	
	CR-F2	STANDARD & POOR'S OUTLOOK	FORWARD	VIEW	STABLE	NEGATIVE	STABLE	STABLE	NEGATIVE	STABLE	STABLE	STABLE	NULL	STABLE	STABLE	STABLE	NEGATIVE	STABLE	NEGATIVE	NEGATIVE	STABLE	
	CR-F3	MOODY'S L/T RATING	FORWARD	VIEW	Baa2	Aa3	A2	A3	Aa3	Baa1	A2	A1	A1	A2	A1	A1	A1	A2	A2	A1	Aa3	
	CR-F4	MOODY'S OUTLOOK	FORWARD	VIEW	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	POSITIVE	STABLE	STABLE	STABLE	STABLE	STABLE	
	CR-F5	FITCH L/T RATING	FORWARD	VIEW	A	A+	A+	A	A+	A-	A	AA-	BBB+	AA-	NULL	A	A+	AA	A-	A-	A+	
	CR-F6	FITCH OUTLOOK	FORWARD	VIEW	NEGATIVE	NEGATIVE	STABLE	NEGATIVE	NEGATIVE	STABLE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NULL	STABLE	NEGATIVE	NEGATIVE	NEGATIVE	STABLE	NEGATIVE
CDS	CDS-F1	5 YEAR CDS	PREVAILING	INDICATOR	42.71	26.63	47.46	52.43	23.5	44.59	56.42	29.14	N/A	45.46	N/A	53.42	46.43	53.52	32.29	27.53	25.79	
	CDS-F2	1 YEAR CDS	PREVAILING	INDICATOR	13.46	6.92	26.17	25.54	5.63	14.74	26.53	10.23	N/A	24.6	N/A	30.21	34.08	18.03	8.89	8.43	7.63	
	CDS-F3	5 YEAR CDS DIRECTION	BACKWARD	INDICATOR	0.49%	6.48%	26.39%	13.26%	7.01%	11.22%	14.28%	5.81%	N/A	23.73%	N/A	22.64%	0.00%	0.32%	19.77%	6.50%	18.90%	
	CDS-F4	5 YEAR CDS VOLATILITY	BACKWARD	INDICATOR	73.72%	86.37%	84.65%	77.35%	95.41%	72.84%	80.28%	68.68%	N/A	84.55%	N/A	74.77%	0.00%	26.45%	100.08%	91.71%	84.51%	
BALANCE SHEET	FBS-F1	TIER 1 CAP RATIO	HISTORIC	FACT	21.60%	15.50%	14.81%	16.60%	19.30%	18.30%	17.81%	20.40%	16.50%	16.00%	15.30%	20.98%	18.80%	15.20%	15.05%	18.30%	22.23%	
	FBS-F2	LEVERAGE RATIO (ASSET/EQTY)	HISTORIC	FACT	20.51	20.15	13.26	12.56	NULL	18.88	13.73	17.15	11.71	13.58	7.45	12.26	25.80	20.13	18.51	23.70	18.92	
	FBS-F3	LOAN-TO-DEPOSIT RATIO	HISTORIC	FACT	92.11	92.87	71.69	67.07	110.63	74.36	77.26	74.41	78.8	63.59	N/A	90.7	123.22	73.5	110.75	94.25	74.1	
	FBS-F4	PRICE-TO-BOOK RATIO (P/B)	HISTORIC	FACT	0.42	0.55	1.10	0.69	0.52	0.74	1.15	0.62	0.40	1.61	N/A	1.37	0.66	1.71	0.62	0.28	0.93	
	FBS-F5	TIER 1 CAPITAL SIZE (\$Bn)	HISTORIC	FACT	68.74	101.08	188.49	155.81	105.81	51.33	85.44	148.36	2.55	214.43	19.15	73.44	74.17	51.41	89.37	58.36	51.89	
	FBS-F6	TOTAL ASSETS (\$Bn)	HISTORIC	FACT	1,500.30	2,432.26	2,434.08	1,951.16	2,259.51	811.64	993.00	2,715.15	30.46	2,687.38	446.20	895.43	1,503.44	1,082.53	1,710.89	1,523.94	972.18	
MARKET INDICATORS	FMI-F1	MARKET CAPITALISATION (\$Bn)	PREVAILING	INDICATOR	38.65	74.89	299.66	137.51	41.20	38.91	110.47	121.10	2.77	449.09	N/A	139.41	15.49	121.56	60.59	21.31	65.62	
	FMI-F2	SHARE PRICE VOLATILITY (260d)	BACKWARD	INDICATOR	60.77	56.24	58.26	67.69	55.00	50.65	52.09	40.91	66.43	53.77	N/A	56.35	81.34	36.70	58.11	68.08	42.38	
	FMI-F3	SHARE PRICE BETA	BACKWARD	INDICATOR	1.55	2.00	1.55	1.92	1.94	2.03	1.48	0.87	1.71	1.20	N/A	1.53	1.33	0.80	1.68	2.03	1.38	
	FMI-F4	SHARE PRICE DIRECTION	BACKWARD	INDICATOR	97.45%	96.06%	96.18%	98.81%	98.58%	99.11%	97.80%	79.00%	64.35%	96.58%	N/A	96.38%	98.95%	97.44%	89.30%	79.81%	98.57%	
	FMI-F5	ANALYSTS RECOMMENDATIONS	FORWARD	VIEW	BUY	BUY	BUY	BUY	BUY	BUY	BUY	HOLD	BUY	BUY	N/A	BUY	HOLD	BUY	BUY	HOLD	BUY	
SYSTEMIC IMPORTANCE	SI-F1	G-SIB STATUS	PREVAILING	FACT	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	
	SI-F2	G-SIB ADDITIONAL CAP RATIO REQ	PREVAILING	FACT	1.50%	1.50%	1.50%	2.00%	1.00%	1.00%	1.00%	2.00%	N/A	2.00%	N/A	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
	SI-F3	TOTAL DEPOSITS (\$Bn)	HISTORIC	FACT	612.34	1,024.06	1,434.81	1,070.65	1,040.21	412.91	189.69	1,498.14	48.79	1,562.43	N/A	190.36	715.02	641.03	962.00	571.34	458.85	
	SI-F4	SOVEREIGN S&P RATING	HISTORIC	FACT	AA	AA	AA+	AA+	AA	AAA	AA+	AA	AA+	AA	AA+	AA	AAA	AAA	AAA	A	AA	AAA
	SI-F5	SOVEREIGN S&P OUTLOOK	FORWARD	VIEW	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	NEGATIVE	STABLE	STABLE
	SI-F6	NO. OF EMPLOYEES	PREVAILING	FACT	80,800	194,001	205,429	211,496	73,037	47,860	38,300	235,351	8,700	250,115	344	60,431	105,019	82,801	196,419	138,240	68,601	

Source: Tempo Structured Products | Thomson Reuters | FT Banker Database | Issuers, 01 MARCH 2021.

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There are risks associated with an investment in any structured product. It should always be understood that: structured products are not suitable for everyone. Past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation. The value of investments and the income from them can go down as well as up. The value of structured products may be affected by the price of their underlying investments. Capital is at risk and investors could lose some or all of their capital. The 'Important risks' section of our website highlights the key and other risks of structured products, in addition to explaining important information for Professional Advisers who wish to access the current products area of our website and who may use our structured product plans with their clients: www.tempo-sp.com/home/important-risks. Professional Advisers should access and read the relevant plan documents relating to any structured product plan of interest, in particular: the plan brochure; plan application pack, including the terms and conditions of the plan; and the issuer's key information document (KID), securities prospectus and final terms sheet, before making a recommendation to their clients. Professional Advisers should not invest in, or advise their clients to invest in, any investment product unless they and their clients understand them, in particular the relevant risks.

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TICS example: TICS Report - Société Générale (Mar 21) ...

TICS REPORT - SOCIETE GENERALE: DATA AS AT 01 MARCH 2021

Societe Generale is a leading French bank. It operates across three core business areas: retail banking, international retail banking and corporate and investment banking. Total assets exceed \$1.5 trillion. Total Tier 1 assets exceed \$58 billion. Market capitalisation is in excess of \$27 billion. Societe Generale has more than 149,000 employees with more than 44 million customers.

	TICS CODE	TICS FACTOR	ANGLE	STATUS	SG DATA	BEST	WORST	AVERAGE	TICS FACTOR RANK (OUT OF 40)	TICS CATEGORY RANK (OUT OF 40)	
TICS CATEGORY	CREDIT RATINGS	CR:F1	STANDARD & POOR'S L/T RATING	FORWARD	VIEW	A	AA- STABLE	BBB- NEGATIVE	A- POSITIVE	18	
		CR:F2	STANDARD & POOR'S OUTLOOK	FORWARD	VIEW	MEGA TIVE					
		CR:F3	MOODY'S L/T RATING	FORWARD	VIEW	A1	Aa3 STABLE	Baa3 STABLE	A2 STABLE	7	
		CR:F4	MOODY'S OUTLOOK	FORWARD	VIEW	STABLE					
		CR:F5	FITCH L/T RATING	FORWARD	VIEW	A-	AA NEGATIVE	BBB- STABLE	A STABLE	30	
		CR:F6	FITCH OUTLOOK	FORWARD	VIEW	STABLE					
	CDS	CDS:F1	5 YEAR CDS	PREVAILING	INDICATOR	30.98	17.54	153.00	47.76	11	12
		CDS:F2	1 YEAR CDS	PREVAILING	INDICATOR	10.91	5.12	39.54	17.88	12	
		CDS:F3	5 YEAR CDS DIRECTION	BACKWARD	INDICATOR	21.82%	0.00%	62.86%	18.51%	20	
		CDS:F4	5 YEAR CDS VOLATILITY	BACKWARD	INDICATOR	53.93%	0.00%	113.01%	49.32%	16	
	BALANCE SHEET	FBS:F1	TIER 1 CAP RATIO	HISTORIC	FACT	18.30%	22.80%	14.80%	17.89%	13	19
		FBS:F2	LEVERAGE RATIO (ASSET/EQTY)	HISTORIC	FACT	23.70	3.90	30.07	17.09	33	
		FBS:F3	LOAN-TO-DEPOSIT RATIO	HISTORIC	FACT	94.25	14.47	185.32	85.22	27	
		FBS:F4	PRICE-TO-BOOK RATIO (Bps)	HISTORIC	FACT	0.31	0.31	2.65	0.81	1	
		FBS:F5	TIER 1 CAPITAL SIZE (\$Bln)	HISTORIC	FACT	58.36	380.19	2.55	100.64	21	
		FBS:F6	TOTAL ASSETS (\$Bln)	HISTORIC	FACT	1,523.94	4,307.50	30.46	1,557.90	16	
	MARKET INDICATORS	FMI:F1	MARKET CAPITALISATION (\$Bln)	PREVAILING	INDICATOR	22.34	464.53	3.04	92.49	32	37
		FMI:F2	SHARE PRICE VOLATILITY (260d)	BACKWARD	INDICATOR	54.81	14.14	63.99	40.67	12	
FMI:F3		SHARE PRICE BETA	BACKWARD	INDICATOR	2.00	0.35	2.26	1.37	37		
FMI:F4		SHARE PRICE DIRECTION	BACKWARD	INDICATOR	98.57%	99.23%	75.26%	94.20%	4		
FMI:F5		ANALYST'S RECOMMENDATIONS	FORWARD	VIEW	HOLD	BUY	SELL	BUY	N/A		
SYSTEMIC IMPORTANCE	SI:F1	G-SIB STATUS	PREVAILING	FACT	Y	Y	N	Y	N/A	21	
	SI:F2	G-SIBADD TIER1 CAP RATIO REQ	PREVAILING	FACT	1.00%	2.00%	1.00%	1.00%	12		
	SI:F3	TOTAL DEPOSITS (\$Bln)	HISTORIC	FACT	571.34	3,576.19	40.45	959.64	23		
	SI:F4	SOVEREIGN S&P RATING	HISTORIC	FACT	AA	AAA STABLE	BBB STABLE	AA STABLE	17		
	SI:F5	SOVEREIGN S&P OUTLOOK	FORWARD	VIEW	STABLE						
	SI:F6	NO. OF EMPLOYEES	PREVAILING	FACT	138,240	464,011	1,154	124,458	13		
TICS AMALGAMATED SCORECARD RANK - SOCIETE GENERALE:										20	

- **Our entire emphasis is on working closely with professional advisers to advance and enhance the value that can be gained from client-centric, best practice use of best of breed structured products:**
 - we launched our *'deliberately defensive'* product suite in May 2018
 - in 2019, we picked up our first industry awards: ***'Highly Commended: Best Structured Products Provider'*** and ***'Winner: Best Structured Products Service'*** at the ILP Moneyfacts Awards
 - the recognition continued in 2020, when we were: ***'Highly Commended: Best Structured Products Provider'*** and ***'Commended: Best Structured Products Service'***
 - *and in 2021 we were delighted to 'do the double' winning both awards for the structured products sector: 'Winner: Best Structured Products Provider' and 'Winner: Best Structured Products Service'*
 - the Investment Life & Pensions Moneyfacts Awards are widely recognised awards, based on a rigorous independent judging panel and process, with input from professional advisers
 - we are really pleased and appreciative to have been recognised in the awards in 2019, 2020 and 2021, in the first three years following the launch of our product suite, in 2018, in both of the structured product categories:
... we hope that our efforts to *'redefine structured products'*, focusing on *'doing the right things - and doing simple well'* and our aim to work closely with professional advisers to advance client-centric, best practice use of best of breed structured products will result in further recognition over time ...

- **Ensuring that client-centric, best practice governance and compliance - ‘*doing the right things*’ - is embedded within Tempo and is front and centre of all that we do has been key from our inception:**
 - our aim is to surpass regulatory requirements and guidance, recognising that good governance is a core value not just a regulatory requirement
- **We believe that best practice governance and compliance is:**
 - first and foremost, client-centric
 - second, best for the professional adviser firms which we work with
 - third, best for us as a business: an opportunity for us to demonstrate best practice, raise the industry bar, and show how we think structured products could be done and should be done
- **We think professional advisers share these views and want to be confident of cultural integrity and client-centric, best practice governance and compliance in the providers they deal with ...**

- **We have tried to think through, establish and support a more rigorous, tighter, better - and safer - approach to structured products ...**
- **First and foremost, we aim to put investors first:**
 - if we and the professional advisers who use our products together do a good job for investors then everybody (investors, advisers, ourselves, issuers / counterparties, etc.) is in a good place
 - with this in mind, critically, we aim to design fundamentally good investments: which our governance policies and procedures, specifically including our product governance process, are designed to help ensure
 - importantly, as with all forms of investment there are risks involved but we are as clear about the potential risks as we are about the potential returns of our products, for both investors and professional advisers, and we have sought to explain everything using plain English which everyone should be able to understand
- **Second, we have worked exceptionally hard on the collateral materials, inputs and support which we provide for professional advisers, both generally and specifically for each of our products:**
 - our aim is to help strengthen professional adviser understanding and working knowledge of structured products, including portfolio construction considerations and regulatory requirements and expectations
 - our approach to client-centric, best practice governance and compliance is designed to help professional advisers strengthen what they do, including their initial and ongoing plan manager due diligence, their product research and assessment of suitability, and how they document the advice they give to their clients

- **Importantly, we think that achieving best practice process and outcomes for investors and professional adviser firms requires manufacturers and distributors to work closely together, in a joined-up approach:**
 - our approach encompasses working closely with everyone from internal stakeholders, to issuing banks / counterparties, to our administrator and custodian, to the professional advisers who use our products
 - ... this includes validating (not simply accepting on face value) each other's inputs and procedures
 - we are keen to discuss the importance of everybody in the food chain being aligned in understanding what *'good'* looks like and in discharging individual and shared responsibilities
 - ... this involves contributing to joined-up, client-centric, best practice process and outcomes

- **Structured products are not suitable for everyone - in addition to understanding the USPs of structured products, professional advisers also need to understand their risks and limitations:**
 - structured products present counterparty risk, which needs to be understood and accepted: the potential returns of a structured product and the repayment of money invested in a structured product usually depend on the financial stability of the issuer and counterparty throughout the investment term
 - the level of return a structured product generates may be capped and / or less than the level of return generated by direct investment in the stock market or via active or passive funds
 - the terms of structured products can predefine what can be expected at maturity and at certain other dates, such as potential 'kick-out' and early maturity dates: but these terms do not apply during the investment term
 - the value of structured products during the investment term may be affected by various factors: while accessing an investment is usually possible, during normal market conditions, this is not guaranteed
 - past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation: the value of investments and the income from them can go down as well as up
 - capital is at risk and investors could lose some or all of their capital

- **The '*Important risks*' section of our website highlights the key and other risks of structured products:**
 - www.tempo-sp.com/home/important-risks

- **Professional advisers should access and read the relevant plan documents relating to any structured product plan of interest, in particular: the plan brochure; '*if / then ...*' summary; plan application pack, including, the terms and conditions of the plan; and the issuer's securities prospectus, final terms sheet and key information document ('*KID*'), before making a recommendation to their clients**

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